

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7855**

**BILL NUMBER:** HB 1719

**NOTE PREPARED:** Feb 18, 2005

**BILL AMENDED:** Feb 15, 2005

**SUBJECT:** Driver and Motor Vehicle Matters.

**FIRST AUTHOR:** Rep. Buck

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED:**     **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** (Amended) This bill:

- (1) requires the Commissioner of the Bureau of Motor Vehicles (BMV) to administer the policies and procedures of the BMV and to submit budget proposals for the BMV to the Budget Director;
- (2) requires a person operating a license branch to collect service charges and deposit them in the License Branch Fund (LBF);
- (3) repeals the political contribution paid at the time of an application or renewal for a personalized license plate (PLP) and provides for a state fee and service charge to be paid at the time of application or renewal of a PLP, and repeals the related fee schedule for distribution of the contribution;
- (4) provides that certain driver's licenses under certain circumstances and the state identification card expire six years after issuance (Current law provides that certain driver's licenses under certain circumstances and the state identification card expire four years after issuance.);
- (5) provides that fees and service charges for driver's licenses that expire six years after issuance and the state identification card be increased by 50%;
- (6) provides that an individual who is at least 75 years of age must apply for or renew a driver's license or permit at a license branch;
- (7) requires the BMV to adopt rules for a 50% increase in certain charges related to driver's licenses that expire six years after issuance and the state identification card;
- (8) authorizes the BMV to determine a schedule for yearly registration of certain vehicles;
- (9) makes a specifying amendment relating to regulation of licensing of vehicle merchandising;
- (10) specifies that an individual may hold a valid driver's license from another state in order to operate a commercial motor vehicle when enrolled in a commercial motor vehicle training course under certain circumstances;

- (11) requires the operator of a vehicle involved in an accident to report the accident to the BMV within ten days of the accident under certain circumstances (Current law requires the report to be made to the State Police.);
- (12) makes certain other changes relating to the reporting of accidents;
- (13) repeals the requirements that the replacement cycle for certain license plates be one year and sets the cycles for replacement at five years;
- (14) repeals the requirement that a license plate issued for a passenger car must display a numeral indicating the county in which the passenger car was registered;
- (15) repeals the requirement that the BMV may not reduce the number of license branches in a county unless the BMV holds a public hearing on the proposed closing; and
- (16) makes conforming changes.

**Effective Date:** Upon passage; July 1, 2005.

**Explanation of State Expenditures:** (Revised) Submission of BMV budget proposals directly to the State Budget Agency, rather than first to the BMVC, has the potential for reduced administrative expenditures. The funds affected are the Motor Vehicle Highway Account (MVHA), which supports the BMV, and the LBF, which supports the operation of license branches throughout the state.

*Background Information:* As of June 30, 2004, the BMVC had a loan outstanding to the MVHA in the amount of \$63.3 M. This represents funds transferred from the MVHA to the State License Branch Fund to cover operating deficits incurred by the BMVC since the inception of the BMVC. It also includes start-up funds appropriated by the General Assembly for the operation of the BMVC.

*Additional Background Information:* The tables which appear in *Explanation of State Revenues* are based on the estimated transactions counts which appear in the table below:

Estimated Transaction Counts	Est CY 2006	Est CY 2007	Est CY 2008	Est CY 2009	Est CY 2010	Est CY 2011
4-Year Operator's License	956,375	929,095	937,627	1,014,882	0	0
3-Year Operator's License	74,000	74,000	74,000	74,000	74,000	74,000
4-Year Motorcycle Operator's License	23	28	21	26	0	0
3-Year Motorcycle Operator's License	0	0	0	0	0	0
Chauffeur License 4-Yr.	12,853	12,350	13,164	13,084	0	0
Chauffeur License 3-Yr.	0	0	0	0	0	0
4-Yr MC Endorsement	66,654	69,206	75,739	79,687	0	0
3-Yr MC Endorsement	0	0	0	0	0	0
Identification	205,406	196,831	204,781	236,527	0	0
Special Identification	15,199	15,665	17,506	15,109	0	0
Learner Permit	114,566	114,566	114,566	114,566	114,566	114,566
Motorcycle Learner Permit	25,501	25,501	25,501	25,501	25,501	25,501
Duplicate/Amended Learner Permit	10,054	10,054	10,054	10,054	10,054	10,054

## Explanation of State Revenues:

<b>Overview of Fee Changes</b>	
Plates 1-100 now 5-year	Affects BMVC
PLP Contribution to BMVC	Affects BMVC
Dealer Suspension	No Effect
Out-of-State License Operating in IN	Affects MVH, Crossroad 2000, Tech Fund, BMVC, Anti-Terror
Accident Reports to BMV	No Effect
Closing Branches without a Hearing	Affects BMVC, Dependent upon if closings occur & which branches closed
County Designator	Affects MVH, BMVC, BMV budget, Reduces expenses-Amount n/a
6-Year Driver's License, Increased Fees	Affects MVH, Crossroad 2000, Tech Fund, BMVC, Anti-Terror

<b>2006</b>	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
PLP Contribution to BMVC	\$0	\$0	\$0	\$1,385,820	\$0
Out-of-State License Operating in IN	\$-800	\$-400	\$-100	\$-1,250	\$-250
6-Yr Driver's License, Increased Fees	\$1,632,914	\$1,343,206	\$0	\$3,394,290	\$0
<b>Totals</b>	\$1,632,114	\$1,342,806	\$-100	\$4,169,800	\$-250
<b>2007</b>	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
PLP Contribution to BMVC	\$0	\$0	\$0	\$1,385,820	\$0
Out-of-State License Operating in IN	\$-800	\$-400	\$-100	\$-1,250	\$-250
6-Yr Driver's License, Increased Fees	\$1,589,747	\$1,318,753	\$0	\$3,309,447	\$0
<b>Totals</b>	\$1,588,947	\$1,318,353	\$-100	\$4,084,957	\$-250
<b>2008</b>	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
PLP Contribution to BMVC	\$0	\$0	\$0	\$1,385,820	\$0
Out-of-State License Operating in IN	\$-800	\$-400	\$-100	\$-1,250	\$-250
6-Yr Driver's License, Increased Fees	\$1,607,369	\$1,338,706	\$0	\$3,377,225	\$0
<b>Totals</b>	\$1,606,569	\$1,338,306	\$-100	\$4,152,735	\$-250
<b>2009</b>	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
PLP Contribution to BMVC	\$0	\$0	\$0	\$1,385,820	\$0
Out-of-State License Operating in IN	\$-800	\$-400	\$-100	\$-1,250	\$-250
6-Yr Driver's License, Increased Fees	\$1,732,068	\$1,421,728	\$0	\$3,662,341	\$0
<b>Totals</b>	\$1,731,268	\$1,421,328	\$-100	\$4,437,851	\$-250

<b>2010</b>	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
PLP Contribution to BMVC	\$0	\$0	\$0	\$1,385,820	\$0
Out-of-State License Operating in IN	\$-800	\$-400	\$-100	\$-1,250	\$-250
6-Yr Driver's License, Increased Fees	\$-4,351,029	\$-1,769,741	\$-628,255	\$-7,365,730	\$-1,570,638
<b>Totals</b>	<b>\$-4,351,829</b>	<b>\$-1,770,141</b>	<b>\$-628,355</b>	<b>\$-6,590,220</b>	<b>\$-1,570,888</b>
<b>2011</b>	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
Plates 1-100 now 5-year	\$0	\$0	\$0	\$-609,060	\$0
PLP Contribution to BMVC	\$0	\$0	\$0	\$1,385,820	\$0
Out-of-State License Operating in IN	\$-800	\$-400	\$-100	\$-1,250	\$-250
6-Year Driver's License, Increased Fees	\$-4,227,331	\$-1,715,731	\$-611,588	\$-7,162,477	\$-1,457,899
<b>Totals</b>	<b>\$-4,228,131</b>	<b>\$-1,716,131</b>	<b>\$-611,688</b>	<b>\$-6,386,967</b>	<b>\$-1,458,149</b>
	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
<b>Net Revenue Changes CY 06 thru CY11</b>					
2006	\$1,632,114	\$1,342,806	\$-100	\$4,169,800	\$-250
2007	\$1,588,947	\$1,318,353	\$-100	\$4,084,957	\$-250
2008	\$1,606,569	\$1,338,306	\$-100	\$4,152,735	\$-250
2009	\$1,731,268	\$1,421,328	\$-100	\$4,437,851	\$-250
2010	\$-4,351,829	\$-1,770,141	\$-628,355	\$-6,590,220	\$-1,570,888
2011	\$-4,228,131	\$-1,716,131	\$-611,688	\$-6,386,967	\$-1,458,149
<b>Total Revenue Changes</b>	<b>\$-2,021,062</b>	<b>\$1,934,520</b>	<b>\$-1,240,442</b>	<b>\$3,868,156</b>	<b>\$-3,030,036</b>
	<b>MVH</b>	<b>X rds 2000</b>	<b>Tech Fund</b>	<b>BMVC</b>	<b>Anti Terror</b>
<b>Cost Savings</b>					
Drivers License \$1.542 ea.					
2010	\$1,603,071				
2011	\$1,603,071				
<b>Total Savings</b>	<b>\$3,206,142</b>				
<b>Overall Changes</b>	<b>\$1,185,080</b>	<b>\$1,934,520</b>	<b>\$-1,240,442</b>	<b>\$3,868,156</b>	<b>\$-3,030,036</b>
<b>Net Change</b>	<b>\$2,717,277</b>				

MVH= Motor Vehicle Highway Account.

X rds= Crossroads 2000.

Tech Fund= BMV Technology Fund.

BMVC= Bureau of Motor Vehicle Commission.

Anti Terror =Anti Terrorism Fund.

### **Explanation of Local Expenditures:**

**Explanation of Local Revenues:** See *Explanation of State Revenues*.

**State Agencies Affected:** Bureau of Motor Vehicles; Bureau of Motor Vehicles Commission.

**Local Agencies Affected:** Recipients of MVH distributions.

**Information Sources:** Jane Morrical, Director of Treasury for Bureau of Motor Vehicles, 317-232-2822.

**Fiscal Analyst:** James Sperlik, 317-232-9866.